

Translation

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## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2020 (Based on Japanese GAAP)

October 27, 2020

Company name: KOMERI CO., LTD.  
 Stock exchange listing: Tokyo  
 Stock code: 8218 URL <https://www.komeri.bit.or.jp>  
 Representative: President, CEO and COO Yuichiro Sasage  
 Director and Executive Officer of the  
 Inquiries: Company, General Manager of Strategic Planning Office Hiroshi Hayakawa TEL 025-371-4111  
 Scheduled date to file Quarterly Securities Report: November 13, 2020  
 Scheduled date to commence dividend payments: December 1, 2020  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2020 (from April 1, 2020 to September 30, 2020)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2020	205,464	10.4	20,731	62.2	20,886	61.8	14,194	63.5
Six months ended September 30, 2019	186,047	3.3	12,779	4.0	12,911	4.5	8,683	5.4

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2020	285.43		-	
Six months ended September 30, 2019	171.51		171.35	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2020	345,352	195,666	56.7
As of March 31, 2020	331,140	181,990	55.0

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2020	-	21.00	-	21.00	42.00
Year ending March 31, 2021	-	22.00	-	-	-
Year ending March 31, 2021 (Forecast)	-	-	-	23.00	45.00

3. Forecast of consolidated financial results for the year ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

Percentages indicate year-on-year changes

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	378,000	8.4	27,000	46.2	27,100	45.5	16,900	41.5	339.82

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2020  
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2020	54,409,168 shares	As of March 31, 2020	54,409,168 shares
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Number of treasury shares at the end of the period

As of September 30, 2020	4,677,275 shares	As of March 31, 2020	4,677,174 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2020	49,731,933 shares	Six months ended September 30, 2019	50,626,956 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2020	As of September 30, 2020
Assets		
Current assets		
Cash and deposits	9,625	23,815
Notes and accounts receivable - trade	19,821	19,982
Merchandise and finished goods	109,119	105,956
Raw materials and supplies	512	243
Other	7,106	8,397
Allowance for doubtful accounts	(534)	(599)
Total current assets	145,651	157,795
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	112,353	112,994
Land	34,355	35,333
Leased assets, net	3,515	3,411
Other, net	8,282	8,638
Total property, plant and equipment	158,505	160,378
Intangible assets	8,043	8,246
Investments and other assets		
Investment securities	1,322	2,171
Deferred tax assets	7,820	7,988
Leasehold and guarantee deposits	8,218	7,262
Other	1,579	1,511
Allowance for doubtful accounts	(2)	(2)
Total investments and other assets	18,939	18,932
Total non-current assets	185,489	187,557
Total assets	331,140	345,352

(Millions of yen)

	As of March 31, 2020	As of September 30, 2020
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	28,012	24,812
Electronically recorded obligations - operating	26,454	35,068
Short-term borrowings	8,500	–
Current portion of long-term borrowings	4,169	8,569
Lease obligations	1,370	1,322
Income taxes payable	3,438	7,188
Provision for bonuses	1,818	1,904
Provision for bonuses for directors (and other officers)	19	10
Provision for loss on store closings	44	–
Provision for point card certificates	739	958
Provision for loss on disaster	4	39
Other	16,471	16,757
Total current liabilities	91,044	96,632
Non-current liabilities		
Long-term borrowings	38,640	33,155
Lease obligations	2,618	2,545
Provision for retirement benefits for directors (and other officers)	124	124
Provision for share-based remuneration for directors (and other officers)	152	164
Retirement benefit liability	5,414	5,578
Asset retirement obligations	7,071	7,342
Other	4,083	4,142
Total non-current liabilities	58,105	53,053
Total liabilities	149,149	149,686
<b>Net assets</b>		
Shareholders' equity		
Share capital	18,802	18,802
Capital surplus	25,260	25,260
Retained earnings	148,676	161,824
Treasury shares	(11,239)	(11,239)
Total shareholders' equity	181,499	194,647
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	72	635
Deferred gains or losses on hedges	27	–
Remeasurements of defined benefit plans	390	383
Total accumulated other comprehensive income	491	1,018
Total net assets	181,990	195,666
Total liabilities and net assets	331,140	345,352

**Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)**

**Consolidated statements of income (cumulative)**

(Millions of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Net sales	180,370	199,101
Cost of sales	122,615	132,359
Gross profit	57,754	66,741
Operating revenue	5,677	6,363
Operating gross profit	63,432	73,104
Selling, general and administrative expenses		
Provision for point card certificates	193	218
Salaries and allowances	17,363	17,835
Provision for bonuses	1,779	1,904
Provision for bonuses for directors (and other officers)	9	10
Provision of allowance for doubtful accounts	160	170
Retirement benefit expenses	601	377
Other	30,543	31,854
Total selling, general and administrative expenses	50,652	52,372
Operating profit	12,779	20,731
Non-operating income		
Interest income	7	7
Dividend income	60	54
Foreign exchange gains	86	64
Other	113	128
Total non-operating income	268	254
Non-operating expenses		
Interest expenses	90	71
Burial cultural asset investigation expense	30	–
Other	16	28
Total non-operating expenses	137	100
Ordinary profit	12,911	20,886
Extraordinary income		
Insurance claim income	13	131
Gain on reversal of share acquisition rights	154	–
Total extraordinary income	167	131
Extraordinary losses		
Loss on disposal of non-current assets	44	77
Loss on disaster	56	140
Impairment loss	7	67
Provision for share-based remuneration for directors (and other officers)	133	–
Total extraordinary losses	241	285
Profit before income taxes	12,837	20,731
Income taxes - current	4,268	6,798
Income taxes - deferred	(114)	(261)
Total income taxes	4,154	6,536
Profit	8,683	14,194
Profit attributable to owners of parent	8,683	14,194

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Profit	8,683	14,194
Other comprehensive income		
Valuation difference on available-for-sale securities	36	563
Deferred gains or losses on hedges	–	(27)
Remeasurements of defined benefit plans, net of tax	517	(7)
Total other comprehensive income	553	527
Comprehensive income	9,237	14,722
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	9,237	14,722
Comprehensive income attributable to non-controlling interests	–	–

## Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Cash flows from operating activities		
Profit before income taxes	12,837	20,731
Depreciation	5,631	5,585
Impairment loss	7	67
Loss on disaster	56	140
Insurance claim income	(13)	(131)
Gain on reversal of share acquisition rights	(154)	–
Increase (decrease) in provision for bonuses	97	86
Increase (decrease) in provision for share-based remuneration for directors (and other officers)	139	11
Increase (decrease) in retirement benefit liability	347	152
Increase (decrease) in provision for point card certificates	193	218
Interest and dividend income	(68)	(61)
Interest expenses	90	71
Loss (gain) on disposal of property, plant and equipment	44	77
Decrease (increase) in trade receivables	(2,808)	(160)
Decrease (increase) in inventories	7,234	3,371
Decrease (increase) in accounts receivable - other	(505)	439
Decrease (increase) in deposits paid	(3,335)	(1,474)
Decrease (increase) in prepaid expenses	(893)	(879)
Increase (decrease) in trade payables	2,376	5,414
Increase (decrease) in accounts payable - other	(1,490)	(194)
Increase (decrease) in accrued consumption taxes	661	365
Other, net	202	976
Subtotal	20,651	34,808
Interest and dividends received	66	62
Interest paid	(90)	(71)
Proceeds from insurance income	13	25
Proceeds from compensation	36	17
Subsidies received	0	38
Payments associated with disaster loss	(19)	(41)
Income taxes paid	(3,326)	(3,150)
Net cash provided by (used in) operating activities	17,330	31,689
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,486)	(5,607)
Proceeds from sales of property, plant and equipment	3	196
Purchase of intangible assets	(682)	(609)
NetDecrease (increase) in lease and guarantee deposits	22	25
Other, net	(186)	(60)
Net cash provided by (used in) investing activities	(5,329)	(6,055)

(Millions of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(2,900)	(8,500)
Proceeds from long-term borrowings	10,500	2,070
Repayments of long-term borrowings	(11,084)	(3,154)
Repayments of lease obligations	(859)	(789)
Proceeds from disposal of treasury shares	0	–
Purchase of treasury shares	(255)	(0)
Dividends paid	(1,012)	(1,046)
Net cash provided by (used in) financing activities	(5,611)	(11,420)
Effect of exchange rate change on cash and cash equivalents	(0)	(0)
Net increase (decrease) in cash and cash equivalents	6,388	14,212
Cash and cash equivalents at beginning of period	3,710	9,330
Cash and cash equivalents at end of period	10,099	23,543